

By: Buckingham

S.B. No. 1832

A BILL TO BE ENTITLED

AN ACT

relating to creating a temporary charitable festival permit for the sale of alcoholic beverages by certain charitable organizations; providing a penalty.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle A, Title 3, Alcoholic Beverage Code, is amended by adding Chapter 56 to read as follows:

CHAPTER 56. TEMPORARY CHARITABLE FESTIVAL PERMIT

Sec. 56.001. AUTHORIZED ACTIVITIES. The holder of a temporary charitable festival permit may sell alcoholic beverages for on-premises consumption to raise money to support charitable works of the permit holder at a festival, including by holding an event for which an admission fee is charged. The permit holder may sell alcoholic beverages for off-premises consumption at an auction that is part of the festival.

Sec. 56.002. FEE. A fee may not be charged for an application for or issuance of a temporary charitable festival permit.

Sec. 56.003. DURATION OF PERMIT. A temporary charitable festival permit may be issued for a period of not more than seven days.

Sec. 56.004. ELIGIBILITY. The commission may issue a temporary charitable festival permit only to an organization that is exempt from taxation under Section 501(a), Internal Revenue Code

1 of 1986, by being listed under Section 501(c)(3), Internal Revenue
2 Code of 1986.

3 Sec. 56.005. FESTIVAL LOCATION; NOTICE. (a) The holder of
4 a temporary charitable festival permit may conduct a festival event
5 in any area where the sale of the type of alcoholic beverage to be
6 sold and its on- or off-premises consumption, as appropriate, is
7 authorized by a local option election.

8 (b) A festival may be held under the permit at multiple
9 locations on the same day and at the same time.

10 (c) The holder of a temporary charitable festival permit may
11 hold a festival at a premises of another permit or license holder
12 if:

13 (1) the alcoholic beverages to be sold are kept
14 separate from the alcoholic beverages sold, stored, or served at
15 the premises; and

16 (2) the alcoholic beverages used during the festival,
17 whether sold as part of an auction or unsold, are removed from the
18 premises immediately following the festival.

19 (d) Before the holder of a temporary charitable festival
20 permit offers alcoholic beverages for sale at a festival under this
21 chapter, the permit holder must, in accordance with any rules
22 adopted or procedures established by the commission, notify the
23 commission of the date on which and location where the permit holder
24 will hold a festival.

25 Sec. 56.006. SOURCE OF ALCOHOL. (a) The holder of a
26 temporary charitable festival permit may purchase alcoholic
27 beverages from any retailer for resale and any retailer may sell

1 alcoholic beverages to the permit holder for resale.

2 (b) The holder of a temporary charitable festival permit may
3 sell alcoholic beverages donated by any person, including a
4 manufacturer, wholesaler, or retailer licensed or permitted under
5 this code.

6 Sec. 56.007. RULES. (a) The commission shall adopt rules
7 governing the issuance and use of a temporary charitable festival
8 permit.

9 (b) The commission shall adopt rules establishing penalties
10 for the violation of rules adopted under this chapter. A penalty
11 established by the commission under this subsection may not exceed
12 a penalty that the commission may impose on the holder of another
13 temporary license or permit.

14 SECTION 2. This Act takes effect September 1, 2017.